

Message Text

CONFIDENTIAL

PAGE 01 STATE 239596

55

ORIGIN NEA-02

INFO OCT-01 ISO-00 /003 R

66617

DRAFTED BY: NEA/INS:DWBORN

APPROVED BY: NEA/INS:DKUX

NEA/EGY:SEMAKIS

----- 058287

R 062359Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

C O N F I D E N T I A L STATE 239596

FOLLOWING REPEAT CAIRO 3817 ACTION USUN INFO SECSTATE,
DEREMBER 6,

QUOTE

C O N F I D E N T I A L CAIRO 3817

EO 11652: GDS

TAGS: AORG ABUD US UN

SUBJECT: USE OF US-OWNED EGYPTIAN POUNDS FOR UNEF

REF: (A) USUN 1554 (REPATED CAIRO 3631);

(B) CAIRO 3753

1. PROPOSED USE OF "US-OWNED" EGYPTIAN POUNDS FOR UNEF HAS CLEARLY GIVEN GOE PAUSE. DESPITE INDICATIONS SEVERAL DAYS AGO THAT WE WOULD RECEIVE A REPLY ON DECEMBER 4, NO FURTHER OFFICIAL WORD WAS FORTHCOMING. SOME INFORMAL SUGGESTIONS WERE RECEIVED THAT DEPUTY PRIMEMIN AND MINFINANCE HEGAZI, WHO ALLEGEDLY EARLIER OPPOSED SUCH USE, HAD COME AROUND AND WOULD INTERPOSE NO OBJECTION IF GOE POLITICAL CLEARANCE GIVEN. SUBJECT SUPPOSEDLY BEING DISCUSSED AT HIGH LEVEL.

2. IN VIEW URGENCY, AMBASSADOR RAISED SUBJECT WITH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 239596

FOREIGN MINISTER FAHMY LAST NIGHT. HE POINTED OUT

PROPOSED USE WAS STRICTLY IN ACCORD WITH PERTINENT
USG-GOE AGREEMENT ON USE OF SUCH FUNDS AND IS CON-
SISTENT WITH PAST PRACTICE. WE HAD NOT EARLIER RAISED SUBJECT
WITH FOREIGN MINISTER BECAUSE WE REGARDED
IT AS A ROUTINE MATTER OF THE TYPE WHICH HAD FREQUENTLY
BEEN ARRANGED WITH THE APPROPRIATE GOE FINANCIAL
AUTHORITIES. ON INSTRUCTIONS FROM WASHINGTON, USINT
HAS ALREADY TRANSFERRED FUNDS TO LOCAL ACCOUNT OF UNEF,
WHICH WAS ANXIOUS TO DRAW ON THEM AS QUICKLY AS POS-
SIBLE. AMBASSADOR ASKED THAT GOE UNBLOCK FUNDS SO THAT
UNEF CAN BEGIN TO USE THEM.

3. FAHMY DEMURRED. HE INSISTED PROPOSED TRANSFER IS
NOT A SIMPLE ECONOMIC QUESTION, BUT PRIMARILY A POLI-
TICAL ONE. IN POLITICAL TERMS GOE COULD NOT AGREE TO
THE PROPOSED TRANSFER. IN GOE EYES, USG IS IN EFFECT
ASKING EGYPT TO PAY FOR UNEF. SAME TIME USG IS GIVING
ISRAEL \$2.2 BILLION. USG SHOULD PAY UNEF IN DOLLARS
AND ALSO BRING SOME DOLLARS INTO THIS COUNTRY. HE
CONTENDED PROPO
D USE INCONSISTENT WITH SPIRIT, IF
NOT LETTER, OF PERTINENT AGREEMENT. PERMITTING SUCH
USE WILL CREATE STRONGLY ADVERSE IMPRESSION HERE.

4. AMBASSADOR PRESSED FAHMY TO RECONSIDER MATTER.
GOE REFUSAL TO DO SO, HE POINTED OUT, IS LIKELY ALSO TO
CREATE A BAD IMPRESSION ON US. HE REITERATED PROPOSED
USE IS SANCTIONED BY OUR AGREEMENT AND BY WELL ES-
TABLISHED PRECEDENT. WE WERE TALKING ABOUT USING US-OWNED
FUNDS. FAHMY FINALLY AGREED CONSIDER MATTER AGAIN WITH
"APPROPRIATE AUTHORITIES" (PRESUMABLY CONCERNED CABINET
COLLEAGUES AND PERHAPS PRESIDENT SADAT) AND ADVISE US IN DUE
COURSE. HE CAUTIONED, HOWEVER, THAT HE IS NOT OPTIMISTIC GOE
WILL CONCUR.

5. WILL FOLLOW UP AS APPROPRIATE.ELLIS UNQUOTE KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CONTRIBUTIONS, EXCESS FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 06 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE239596
Document Source: CORE
Document Unique ID: 00
Drafter: NEA/INS:DWBORN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731240/aaaabcze.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) USUN 1554 (REPATED CAIRO 3631);
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by shawdg>; APPROVED <11 MAR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: USE OF US-OWNED EGYPTIAN POUNDS FOR UNEF
TAGS: AORG, PFOR, US, UN, UNEF
To: NEW DELHI
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005